

In the Matter of:

CAMPBELL COUNTY KENTUCKY WATER DISTRICT

CASE NO. 89-014

O R D E R

On March 31, 1989, the Commission entered an Order which granted the motion to investigate, but held the motion to cease for further consideration. The Commission further required

Campbell County and Kenton County to submit certain information concerning the construction in issue. This information has been submitted.

Upon review of the record and being sufficiently advised, the Commission finds that:

1. Campbell County wishes to connect 60 linear feet of 30-inch water line and related appurtenances to new 30-inch transmission mains presently being installed by Kenton County at its Fort Thomas Water Treatment Plant. A Certificate of Public Convenience and Necessity has been issued to Kenton County for the installation of the 30-inch transmission mains.¹

2. The 60 linear feet of water line is intended to connect Kenton County's new transmission mains to a pumping station which Campbell County proposes to construct. Campbell County has applied for a Certificate of Public Convenience and Necessity to construct the proposed pumping station,² but the Commission has yet to approve this application.

3. As the 60 linear feet of water line will not be connected to any existing Campbell County facility, its

¹ Case No. 10309, Application of Kenton County Water District No. 1 for Commission Approval to Construct Certain Projects Related to the Ft. Thomas Treatment Plant.

² Case No. 89-029, An Application and Notice of Campbell County Kentucky Water District (A) to Issue Revenue Bonds in the Approximate Principal Amount of \$5,535,000 (B) to Construct Additional Plant Facilities of Approximately \$4,523,000 (C) Notice of Adjustment of Rates Effective May 1, 1989 (D) Submission of Long Term Water Supply Contract.

installation cannot be considered an extension in the ordinary course of business.

4. As the usefulness of the proposed water line depends entirely upon the construction of the proposed pumping station, Campbell County must acquire a Certificate of Public Convenience and Necessity to install the proposed water line. Such an application should be considered within Case No. 89-029.

5. No Certificate of Public Convenience and Necessity is required for extensions of service that do not create wasteful duplication of plant, equipment, property or facilities, or conflict with existing certificates or service of other utilities operating in the same area and under the jurisdiction of the Commission that are in the general area in which the utility renders service thereto, and that do not involve sufficient capital outlay to materially affect the existing financial condition of the utility involved, or will not result in increased charges to its customers. 807 KAR 5:001, Section 9(3).

6. Kenton County currently provides water service to Campbell County. In 1988 it sold to Campbell County approximately 275,000,000 gallons of water, or approximately 14 percent of Campbell County's annual usage.³

³ Annual Report of Campbell County Kentucky Water District for the year ended December 31, 1988, page 23.

7. The cost of the proposed water line is \$31,050, or approximately .1 percent of Kenton County's net utility plant.⁴

8. The construction of any connection between Campbell County's water distribution facilities and the new 30-inch transmission main of Kenton County is more economically and technically feasible while this 30-inch transmission main is being installed.

9. The installation of a limited amount of water line to meet the potential needs of a current customer is in the ordinary course of business.

10. Insofar as the installation of the proposed water line by Kenton County would be in the ordinary course of business, would not be duplicative, and would not involve sufficient capital outlay to materially affect Kenton County's existing financial condition, Kenton County would not be required to obtain a Certificate of Public Convenience and Necessity if it chose to construct and install the proposed water line. KRS 278.030; 807 KAR 5:001, Section 9(3).

IT IS THEREFORE ORDERED that:

1. The city of Newport's motion for an Order to cease construction is granted as to Campbell County and is denied as to Kenton County.


⁴ Campbell County Response to the Commission's Order of March 31, 1989, pages 5-6; Annual Report of Kenton County Water District No. 1 for the year ended December 31, 1988, page 10.


2. Campbell County shall, if it intends to construct and install the proposed water line, amend its application in Case No.89-029 to include that water line.

Done at Frankfort, Kentucky, this 23rd day of August, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director